



Silicon Valley Leadership Tactics: Midwest CEOs take Note

Zero to 60 in 2.8 seconds.

That's the speed of one of the Tesla models I had the opportunity to drive during a recent visit to their factory in Silicon Valley. Appropriately named "Ludicrous", the car was impressive to say the least. However, it certainly wasn't the only thing I found operating at lightning speed in the Valley.

From tech giants like Facebook, Google, and Apple, to the thousands of startups vying for the next big break, the pace at which companies in Silicon Valley operate and innovate is simply unmatched.

Of course, it's no secret that the famed region has been—and continues to be—an unparalleled breeding ground for firms displaying extraordinary levels of skill and ingenuity. And although I can't claim to have unearthed the key to Silicon Valley success during my short visit, I did leave with a couple of key leadership takeaways that I believe Midwest CEOs can learn from:

Invest in Employees First, and Company Second.

In meeting with numerous CEOs of both software and PE firms, I was fascinated to discover that they are spending 70+% of their time on areas of leadership versus only 30% on decisions relative to company plans. When further questioned, all of them shared that employee retention is such a significant issue that they'd rather put their time investment into talent upfront than be forced to continually recruit.

If you consider how much of Silicon Valley success is a direct result of the exceptional talent that flocks there, it really is no wonder that employee retention is a top priority. Competition is high, poaching is common, and continuity of talent—especially when it comes to tech and new-product development talent—is critical to maintaining momentum in an environment where success is often dependent on speed to market.

Valley firms may be known for their transparent cultures, creative office spaces, and spectacular employee perks, but a deeper dive reveals it's far less about frills for the sake of frills, and far more about finding creative ways to attract, inspire, and retain the

right people—a lesson that can certainly be applied to organizations here in the Midwest as well.

Growing Footprint > Growing Profit

While Midwest CEOs tend to measure success in dollar signs, CEOs in Silicon Valley are far more focused on growing their companies' footprints than their profits. It seems the vast majority of investors in these rapidly growing software firms are primarily interested in either growing and selling the businesses, or building them up and leveraging them through a valuation and distribution strategy.

With local funding widely available to support this “think bigger, scale faster” mentality, CEOs in the Valley tend to place minimal emphasis on yesterday's profits and today's stock prices, instead concentrating their efforts on growth, retention, engagement, and innovation. For them, rapidly growing their footprint means taking risks, getting product out the door quickly, and not being afraid of failure.

As recently noted in *USA Today*, “There's a ‘Version 1.0’ mentality in Silicon Valley; it's the concept of MVP — ‘minimal viable product.’ Go to market fast, and learn from customers. As Google's product development mantra says: ‘Experiment, expedite, iterate.’”

So what does this all mean?

While I am not so naïve to believe that all (or even most) companies would find success operating similarly to the massively-funded companies of Silicon Valley, I do feel that some of their leadership tactics are worth studying and using as inspiration here in the Midwest.

Whether it's placing a higher priority on employee retention, encouraging creative problem solving, or embracing alternative ways to measure success, staying relevant and competitive in any industry and geography requires leadership to be comfortable adopting new and innovative ways of thinking.

Take it from Silicon Valley—if you want to be disruptive, you've got to be willing to think differently, think positively, and think ahead. After all, driving a leading-edge business is much like driving that Tesla car—you can either commit to moving forward at lightning speed, or you can hesitate and risk being left in the dust.

Could lessons learned in Silicon Valley help to inspire and strengthen the leadership within your organization? If you need help getting started, give us a call today at #708-738-5040, or visit our website at RRGExec.com